

# CAHS

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**Testimony before the Labor and Public Employees Committee  
Re: H.B. 5177 – An Act Concerning Employers and Notice of Available  
Federal Earned Income Tax Credits  
Submitted by Maggie Adair, Policy Director  
Connecticut Association for Human Services  
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The Connecticut Association for Human Services (CAHS) is submitting testimony in favor of **H.B. 5177 – An Act Concerning Employers and Notice of Available Federal Earned Income Tax Credits**. CAHS would like to thank Rep. Mary Mushinsky for sponsoring this bill and for the Labor and Public Employees Committee for hearing it today. This bill would require employers to post notice in the workplace about the availability of the federal Earned Income Tax Credit (EITC) to low-wage workers.

CAHS is a statewide nonprofit organization that works to end poverty and to engage, equip, and empower all families in Connecticut to build a secure future. We promote policies that support families as they move along an economic continuum, from meeting basic needs, learning how to manage a family budget, avoiding predatory lending, building income and assets, obtaining an education, and landing a good-paying job.

The federal EITC is considered a highly effective anti-poverty policy. The National Center for Children in Poverty found that the federal EITC reduces poverty for young children by nearly 25 percent - more than any government program. The EITC has a history of bipartisan support - the federal EITC was enacted in 1975 under President Ford, and expanded under the first President Bush and President Clinton. President Reagan called the EITC “the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress.” Just days ago, Congress expanded the federal EITC under the economic recovery package. Key changes include increasing the benefit for parents with three or more children and eliminating the marriage penalty.

Promotion of the EITC and creation of a state EITC is a core priority for CAHS. As you may be aware, in the previous three legislative sessions, CAHS has led the advocacy campaign to create a state EITC. We have built up solid support from Democratic legislators and even garnered support from several key Republicans, including Senate Minority Leader John McKinney.

CAHS is also heavily involved in promoting access to the federal EITC through our work coordinating Volunteer Income Tax Assistance (VITA) coalitions in Greater Bridgeport, Stamford, Norwalk and Waterbury. We also work with others coordinating VITA sites in Greater New Haven and Hartford. VITA sites are IRS-sanctioned programs that provide low-wage workers free tax preparation services. As part of the service, low-wage workers file for the federal EITC and other eligible tax credits.

CAHS got involved in the VITA coalition work because we see VITA sites as a portal to moving low-wage workers toward a more secure future. VITA sites not only provide free tax returns, they also are building out their program by linking workers to other services, such as financial education classes, credit